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Panel on Arms Procurement Is Considered

Decision by White House Expected Soon on Group To Critique Procedures

By TIM CARRINGTON

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Stung by recent weapons-buying scandals and the proposed halt in the Pentagon's budget growth, President Reagan is considering the creation of a top-level commission to critique the defense procurement system.

A decision is expected later this week, following a meeting with Defense Secretary Caspar Weinberger and other administration officials, aides said. One purpose of such a commission would be to "rebuild the confidence of the Congress and the American people in the department's stewardship of defense resources," a staffer said, conceding that support for President Reagan's defense buildup has all but evaporated.

For several weeks, White House officials have voiced distress over the loss of support among traditional backers of the military program. Many conservatives who had supported the military expansion throughout the first term of the Reagan administration refused to vote for an inflation-adjusted budget increase of as much as 3% in the fiscal year starting Oct. 1, the level called for by Democrat Walter Mondale in his presidential campaign.

"One of the amazing things in this town is how quickly a consensus builds up and how quickly it falls apart," said one administration official involved in defense matters. Congress is expected to approve an increase no greater than the projected rate of inflation. The administration initially sought a nominal 10% rise.

The decision to create such a commission is fraught with political complications for the administration. Formation of the group could be seen as a no-confidence vote in the Pentagon's current management—beginning with Secretary Weinberger, whose ties with the president remain close.

Critics of the Pentagon may view the creation of a study commission to be little more than a public relations effort designed to preserve the current procurement system.

Meanwhile, the White House plan may be seen as an effort to preempt congres-

sional moves to set up a group that would overhaul the weapons-buying program. The Senate adopted an amendment to the defense authorization bill that would set up a 21-member commission with appointees named by Congress and the White House.

And six weeks ago, Alabama Rep. William Dickinson, the ranking Republican on the House Armed Services Committee, urged President Reagan to set up a commission of his own.

By setting up its own commission before any final congressional action, the White House appears to be taking a more active posture in dealing with procurement problems. Administration officials worry, however, that such steps can backfire. Many Pentagon officials contend that the Defense Department has become more vigilant in policing procurement problems, with the result of drawing more attention to waste and mismanagement.

Derek Vander Schaaf, the Defense Department's deputy inspector general, held a briefing on that office's latest report to Congress on cost overruns. He said that the report underscored department efforts to track down abuses, but also highlighted the extent of waste in the military procurement system.

Mr. Vander Schaaf said that the inspector general's office has identified \$1.6 billion in potential savings that can be realized through various changes over coming months. In addition, the office has obtained savings of \$1.3 billion during the six months ended March 31.

According to the report, all three services could produce savings through program changes. The Army could save \$77 million by canceling plans to buy certain lithium batteries and use batteries already in stock. Spending for the Air Force's advanced medium-range air-to-air missile could be chopped by \$58 million if the Pentagon separated purchases of the missile parts and bought them through competitive bids. The report said that a Navy Public Works Center has spent an excess of \$1.8 million and could realize a comparable amount of savings in the future.